

**SUMMARY OF PUBLIC HEARING TESTIMONY AND WRITTEN COMMENTS AND DEPARTMENT COMMENTS**

DWD 43 - Child Support Administrative Enforcement

RULE

NUMBER

COMMENTS

DEPARTMENT RESPONSES

31	43.07	It takes payers time to correct problems with computer records that are inaccurate.	In some cases in Milwaukee County, inaccurate data was loaded into the KIDS system during conversion. As a result of KIDS implementation, these errors were identified and corrected. The KIDS system itself tracks payments and arranges correctly.
35	43.07	The relevant financial records should not go back to the opening of the case. Only records from the most recent order should be provided.	According to DWD 43.07 (1), the financial record review will cover the period of time after the last judicial review or other account review.
1	43.07	The rule does not define relevant financial records.	DWD 43.07 (2) has been modified to indicate that the relevant financial records may include the account history report and any relevant county records prior to the implementation of the statewide child support enforcement system.
1, 8, 10, 20, 21, 26	43.07	By simply requiring the child support agency to provide the payer with a copy of relevant financial records and information explaining how to interpret them shifts the burden to the payer to review and interpret any the records and to allege any errors. This process is inconsistent with s. 49.854 (3)(ag), Stats., which requires the child support agency to "hold" and "conduct" a financial record review.	As the custodian of KIDS records, the department presumes that its records are accurate. It is the responsibility of the payer to identify any errors in the records. However, the rule has been modified to provide a payer with the opportunity to meet with a child support worker to review the financial records and to discuss any alleged errors. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records.
1	43.07	The department must conduct a financial record review that does not depend on the payer alleging an error in the records.	As the custodian of KIDS records, the department presumes that its records are accurate. It is the responsibility of the payer to identify any errors in the records. However, the rule has been modified to provide a payer with the opportunity to meet with a child support worker to review the financial records and to discuss any alleged errors. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records.

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1, 8, 26, 30, 34	43.07	KIDS financial records are difficult to understand even with instructions explaining how to interpret the records. The financial record review is not meaningful if the payer cannot understand the records.	<p>The account history report has been modified to contain more plain language descriptions rather than codes. In sections that contain codes, an attempt has been made to make the codes understandable. An information sheet explaining how to read the account history report and a key attachment of the codes will be provided with the account history report.</p> <p>The account history report will include a payment history which lists the date payments were received, the source of the payments (except tax intercepts), the amount of payments, the debt to which the payment was applied, and any adjustments made to a collection. The report will also include the court order obligations in a case as well as a list of debts owed in a case and the current balance of each debt. A note has been added to DWD 43.07 (2) to indicate the information included in the account history report.</p> <p>See previous comment.</p>
30	43.07	There is no due process of law if the records are unintelligible.	See previous comment.
8	43.07	Child support agencies should be required to meet face-to-face with payers and help them read and understand the records	The rule has been modified to provide a payer with the opportunity to meet with a child support worker to review the financial records and to discuss any alleged errors. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records.
8	43.07	Face-to-face meetings between the child support agency and the payer will lead to more settlements without court assistance which is the purpose of the administrative provisions in 1997 Wisconsin Act 191 and DWD 43. These settlements will have a positive impact on workload scheduling for those cases that do require court time.	See previous comment.
8	43.07	A child support agency's case in court will be enhanced if the agency has attempted to explain and settle the manner with the payer.	See previous comment.
34	43.07	The last judicial review may have been taken without the actual record being reviewed.	The financial record review will not include the financial records for a period of time prior to a court review or other account review. A court determination of arrearages is a final determination.

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34	43.07	The time period of the financial record review is limited. The review should cover a longer period and be more comprehensive unless not requested by the payer.	See previous comment.
34	43.07	It is difficult to succinctly write why records are in error and provide documentation to support your position. It will be easier for a payer to allege an error in the financial record review process if the payer has the opportunity to meet face-to-face with a child support worker.	When a payer requests a financial record review, the child support agency will provide the payer with an account history report, any relevant pre-KIDS county records, and information on how to read the account history report. In addition, the agency will provide the payer with a form the payer may use to identify any alleged errors in the records. The form will provide the payer with categories of potential types of errors that the payer may allege.  The rule has been modified to provide a payer with the opportunity to meet with a child support worker to review the financial records and to discuss any alleged errors. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records.
10	43.07	The child support agency does not need to meet with every payer for a financial record review, but payers should have the opportunity for a face-to-face meeting with the child support agency.	The rule has been modified to provide a payer with the opportunity to meet with a child support worker to review the financial records and to discuss any alleged errors. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records.
26	43.07	The child support agency does not need to meet with every payer for a financial record review, but payers should have the opportunity for a face-to-face meeting with the child support agency if the payer finds an error.	See previous comment.
1	43.07	KIDS financial records do not indicate whether various court orders have been entered correctly in KIDS. When a financial record review is requested, the child support agency must be required to retrieve all of the court orders in existence on that case and manually check whether each of the orders was correctly placed in the system.	As the custodian of KIDS records, the department presumes that its records are accurate. Therefore, it is the payer's responsibility to determine whether various court orders have been entered correctly into KIDS. The account history will be modified to include a readable summary of court order obligations in a case.  A note has been added to the rule to indicate that the account history report includes court order obligations in a case.

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1, 10, 30, 34	43.07	The financial records must include a readable summary of court orders, including the effective dates and amounts of past orders, so that NCPs will be able to accurately determine whether orders were entered correctly and arrearages are correct.	A note has been added to the rule to indicate that the account history report includes court order obligations in a case.
1	43.07	Financial records will need to indicate adjustments made in the payment records and any notes associated with those adjustments.	A note has been added to the rule to indicate that the payment history section of account history report includes any adjustments made to a payment.
1, 10, 26, 34	43.07	During the conversion to KIDS, arrearages were doubled or deleted in cases. Payers will not know if the system made a mistake during conversion.	These conversion problems were experienced in Milwaukee County. Milwaukee County has made every effort to correct these problems associated with conversion.
1, 10, 30, 34	43.07	The financial records that are provided to payers must include a clear list of the source of payments, the date of payments, and the amount of the payment.	A note has been added to the rule to indicate that the account history report includes the date that a payment was received, the collection source of the payment (except tax intercept), the amount of the payment, and the debt to which the payment was applied.
34	43.07	The amount of arrears and any miscellaneous charges must be included in the financial records provided to payers.	A note has been added to the rule to indicate that the account history report includes a listing of debts owed in a case and the current balance of each debt.
20/21	43.07	The rule does not state whether the financial records are free of charge to the payers and payees when requested.	Section 49.854 (3)(ag), Stats., states that the department must conduct the financial record and court order review at no charge to the payer. The note in DWD 43.07 (2) includes a cross-reference s. 49.854 (3)(ag), Stats.
20, 21	43.07	The presumption of accuracy of the financial records that existed when the clerks of court maintained the records cannot be extended to the department because the department, as a party to the family court action, should have to prove the accuracy of the financial records it relies upon. The department or the child support agencies should be required to review the actual financial records and the court orders in cases where requests are received given the known inaccuracies of KIDS records.	Financial records maintained by the clerks of court are no more likely to be accurate than records maintained by the department. However, because KIDS record maintained by the clerks of court were records of the court and, therefore, authentic records, they are more likely to be considered accurate. The department has developed a process for establishing the authenticity of records for court proceedings. As the official custodian of KIDS records, the department will self-authenticate KIDS records under s. 909.02, Stats. Authenticating KIDS records will maintain the integrity of KIDS records and shift the burden of finding errors in the records to the payer.

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45	43.08 (1)	<p>The rule intends to divest existing property rights of which there is notice in the public records. For example, if a nonobligated joint property owner owns 99 percent of a piece of real estate, that owner will lose 49 percent of that interest because he or she does not request a hearing. It should be the department's responsibility to look at the public records and treat the joint holder fairly without requiring the joint holder to schedule a hearing.</p>	<p>The rule will not be modified. According to the Legislative Council Staff, the department has the authority to seize the entire property of a child support payer who is a joint property holder, with the exception that the other joint owners can request a hearing to protect their property rights. To be fair to individuals other than the payer with a recorded ownership interest in property, the department has created the presumption that the payer's ownership interest in property is equal to a pro rata share based on the number of individuals with a recorded ownership interest in the property. The department will only seize the payer's ownership interest in the property.</p> <p>When the department initiates seizure, it will notify individuals with a recorded ownership interest in the property that property has been or will be seized. The notice will also inform these individuals of the opportunity to request a hearing to determine property rights.</p>
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4	43.08 (2)	Clarify the length of time that accounts will be frozen.	<p>The length of time an account is frozen will depend on actions taken by the payer after receiving a notice of levy.</p> <ul style="list-style-type: none"> <li>• According to s. 49.854 (5), Stats., a payer may request a hearing within 20 business days of the date of the notice of levy. If the payer does not request a hearing, the institution will be instructed to remit funds to the state. In this scenario, the account will be frozen for at least 20 business days.</li> <li>• If the payer requests a hearing, the hearing must be held within 45 business days after receiving the request. If the court determines that arrearages are owed, the department will instruct the financial institution to remit funds. In this scenario, the account may be frozen over 65 business days.</li> <li>• If the hearing was conducted by a family court commissioner, the payer has the opportunity to request a hearing before the court 15 business days after the date of the family court commissioner's decision. If the payer does not request a review of a decision made by a family court commissioner, the institution will be directed to remit funds. In this scenario, the account may be frozen 80 business days.</li> <li>• If the payer requests a court review of the family court commissioner's decision, the account will be frozen more than 80 business days.</li> </ul>
4	43.08 (2)	The rule should be clarified to provide that a financial institution will be directed to freeze the portion of the account equal to the payer's pro-rata share when an account is jointly owned.	<p>The rule has been modified to address this concern. If individuals other than the payer have a recorded ownership interest in an account, the notice of levy will instruct the financial institution to freeze the payer's ownership interest in the account. The payer's ownership interest in the account is presumed to be an equal pro-rata share of the account, based on the number of individuals with a recorded ownership interest in the account, at the time the institution receives the notice of levy.</p>

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4	43.08 (2)	<p>The rules should clarify that if a court determines that an amount other than an equal pro-rata share is the payer's portion of a jointly-held account, then only that amount should be frozen.</p>	<p>The rule has been modified to address this concern. The department or child support agency will continue with the presumption that the payer's pro-rata share of an account should be seized unless an individual other than the payer with a recorded ownership interest in the account requests a court hearing for determination of property rights within 20 business days of the date of the notice of levy. According to s. 49.854 (7m), Stats., if the court determines that a portion of the account is attributable to the contributions of an individual other than the payer with a recorded ownership interest in the property, the court must direct the department or child support agency to pay the individual, from the net balance of the account, the proportion of the gross value of the account that is attributable to that person's interest.</p>
4	43.08 (2)	<p>The rule should clarify that any subsequent activity (including subsequent deposits) by either the payer or the joint account holders after the financial institution is notified to freeze an equal pro-rata share of the money in the payer's account is permitted, and the financial institution is not liable for purposes of law and these rules for allowing such activity to occur.</p>	<p>According to s. 224.40 (3)(c), Stats., a financial institution is not liable for encumbering or surrendering any assets held by the financial institution in response to instructions from the department or a county child support agency for the purpose of enforcing a child support order. A note has been added to the rule to cross reference this section.</p>
4	43.08 (2)(b)	<p>The provision needs to be clarified to provide that it is DWD's responsibility to instruct financial institutions as to how much money in accounts held at their institutions by the payer is intended to be frozen and then seized by the department. The financial institutions should not bear the burden of determining whether the first \$500 of a payer's account maintained at their institution is available for the payer to use.</p>	<p>The rule has been modified to require the notice of levy to specify the maximum amount that may be frozen in an account. If more than one individual has an ownership interest in the account, the maximum amount frozen may not exceed the payer's pro-rata interest based on the number of individuals with an ownership interest in the account. The requirement that the department or child support agency may only seize funds in excess of \$500 across all of a payer's accounts has been removed from the rule.</p>

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42	43.08 (3) 43.08 (5)	Financial institutions have concerns about the ability of the state to seize real and personal property that is the institution's collateral.	If a financial institution has a collateral interest in a property but not a lien against the property, a child support lien would have priority over a collateral interest. Therefore, the department or child support agency may seize property that is a financial institution's collateral.  In the future, child support liens will be reported to credit bureaus. Financial institutions will be able to determine whether there is a child support lien against property that may be used as collateral before issuing a loan to an individual.
42	43.08 (3) 43.08 (5)	A loan for a property is granted to an individual without any current delinquency in child support. If the individual accrues a child support delinquency, does the state have a priority lien over that of the financial institution?	The effectiveness of a child support lien is determined by the date it is filed. DWD 43.06 has been modified to indicate that a child support lien has priority over all other liens on property except tax and special assessment liens, purchase money mortgages, construction liens, environmental liens, liens that are filed or recorded before the child support lien becomes effective, and any other lien given priority under the law.
42	43.08 (3) 43.08 (5)	When a loan becomes delinquent, financial institutions may use savings on deposit in the institution at the time of default as collateral. Financial institutions are concerned that if a loan becomes delinquent at the same time that child support becomes delinquent, any deposits that the institution may use as collateral prior to the department notifying the institution of the child support delinquency will need to be remitted to the department.	According to s. 49.854 (1)(e) and (2), Stats., and DWD 43.03 (7), the child support lien is an encumbrance against property existing at the time of levy. If a financial institution removes funds from a collateral account prior to receiving a notice of levy, the funds will not have to be remitted to the department.
42	43.08 (3) 43.08 (5)	Clarify whether a child support lien affects the ability of financial institutions to repossess collateral to satisfy a loan default.	The rule does not affect the ability of financial institutions to repossess collateral to satisfy a loan. The institution must allocate proceeds from the sale of repossessed or foreclosed property to liens with priority over its collateral interest.
42	43.08 (3) 43.08 (5)	If an institution repossess a vehicle or forecloses on a property subject to a child support lien, indicate the requirements for payment of any liquidated amount to the state.	This is a procedural concern that will not be addressed in the rule. The institution will allocate proceeds from the sale of repossessed or foreclosed property according to lien priority.

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20/21	43.08 (5)	The calculation related to the seizure of real property is complicated and needs a better explanation.	The calculation has been modified in DWD 43.08 (3). In order for the department or child support agency to initiate real property seizure, the payer's equity in the property, minus expected levy fees, must exceed 10 percent of the property's fair market value. For example, a payer owns real property with a fair market value of \$100,000 with one other individual. The payer's equity in the property minus expected levy fees must exceed \$10,000. Total equity in the property is \$40,000; the payer's equity is \$20,000 assuming an equal pro-rata share. The payer's equity of \$20,000 minus expected levy fees of \$500 is \$19,500, which exceeds the threshold of \$10,000.
20, 21, 26	43.09	Notices sent to payees with domestic violence threats or protective orders should be mailed 30 days before the initiation of administrative enforcement activities.	The rule has been modified to require the department or child support agency to send notice of the initiation of administrative enforcement actions <i>at the same time</i> to payers and payees in cases in which the payer is subject to a protective order or there is otherwise reason to believe that a payee or child may be harmed.  Notice will not be provided to the payee prior to notifying the payer. The payer may find out that an action will be initiated and, in the case of account and personal property seizure, abscond with the property.  See previous response.
26	43.09	Notices sent to payees with domestic violence threats or protective orders should be mailed prior to the initiation of administrative enforcement activities.	
30	43.09	All payees should be notified of hearings or court hearings that may affect their rights so that they can protect their rights.	The rule has been modified to require the department or child support agency to provide notice of hearings to all payees when the payer in the cases requests a court hearing on mistake of fact or the reasonableness of an alternative payment plan, and a hearing has been scheduled.

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26	43.09	All payees should receive notice of administrative enforcement actions every step if the way unless notification is waived.	The department will not provide notice to all payees of administrative enforcement actions. There is no precedent in other child support administrative enforcement actions, such as tax intercept, to provide notice to the payee that an administrative action has been initiated. In addition, there are costs associated with notifying payees of each administrative enforcement action initiated, and county child support agencies may be overwhelmed with calls from payees requesting updates on the status of the administrative enforcement action.
10	43.09	All payees should be notified of hearings associated with administrative enforcement actions in advance to the payer.	The rule has been modified, however, to require the department or child support agency to provide notice of hearings to all payees when the payer in the cases requests a court hearing on mistake of fact or the reasonableness of an alternative payment plan, and a hearing has been scheduled.
10, 20, 21, 34	43.09	The payee should receive notification of enforcement actions regardless of whether is a protective order filed.	The rule has been modified to require the department or child support agency to provide notice of hearings to all payees when the payer in the cases requests a court hearing on mistake of fact or the reasonableness of an alternative payment plan, and a hearing has been scheduled. The payee will not receive advance notice of court hearings. The department will not provide notice to all payees when administrative enforcement actions have been initiated. There is no precedent in other child support administrative enforcement actions, such as tax intercept, to provide notice to the payee that an administrative action has been initiated. In addition, there are costs associated with notifying payees of each administrative enforcement action initiated, and county child support agencies may be overwhelmed with calls from payees requesting updates on the status of the administrative enforcement action.
			The rule has been modified, however, to require the department or child support agency to provide notice of hearings to all payees when the payer in the cases requests a court hearing on mistake of fact or the reasonableness of an alternative payment plan, and a hearing has been scheduled.

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34	43.09	The payee is an interested party in a child support case and should be notified especially if a compromise agreement is proposed.	The department will not provide notice when an alternative payment plan is negotiated with a payer. An alternative payment plan does not affect the underlying child support obligation. In addition, payees will not be adversely affected by an alternative payment plan. Because the payment plan is for arrears, the support received by the payee will most likely be more than the court ordered monthly amount.
20, 21	43.09	Section 304 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) requires that child support agencies notify payees of administrative enforcement actions.	Section 304 of PRWORA does not require that all payees receive notice of administrative enforcement actions. This section of PRWORA requires parties to a support case to be notified of all proceedings in which support obligations may be established or modified.  The rule has been modified, however, to require the department or child support agency to provide notice of hearings to all payees when the payer in the cases requests a court hearing on mistake of fact or the reasonableness of an alternative payment plan, and a hearing has been scheduled.
34	43.10 (3)	The threshold for real property seizure should be \$5000.	The department has worked with the Child Support Policy Advisory Committee and the legislature to develop reasonable thresholds for initiating administrative enforcement actions. The thresholds for initiating administrative remedies are based on a given percentage of the monthly amount due in the court case. Basing the thresholds on the monthly amount due equalizes the thresholds across cases with different levels of child support due. Different thresholds creates a hierarchy of enforcement actions. As the severity of the administrative enforcement action increases, the percentage of the monthly amount due that arrears in a court case must meet or exceed also increases.
10, 34	43.11	Clarify whether the rule permits the court or child support agency to negotiate an agreement in which the noncustodial parent may wait to pay arreages until after the youngest child reaches the age of majority. It should be made clear that the arreages do not have to be paid before the child reaches the age of majority.	The rule has not been modified. The rule provides the flexibility for a payment plan to begin at a future date. Because the payment plan may be a lump sum, a periodic payment, or both, a child support agency may settle for a lump-sum payment immediately and wait to collect the remainder of the arrearage until the child reaches the age of majority.

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20/21	43.11 (2)	When an administrative enforcement action is initiated, the notice to payers must clearly inform them that the negotiation of an alternative payment plan does not toll the time limits for requesting a hearing.	<p>The rule has not been modified. The notice to payers will inform them of the time frames for requesting a meeting with a child support worker to negotiate a payment plan and for requesting a hearing.</p> <p>The negotiation of a payment plan does toll the time limits for requesting a hearing. The payer must request a hearing on the reasonableness of a payment plan or mistake of fact within 20 business days of receiving a notice of enforcement actions even if the payer has requested a meeting with the child support agency to negotiate a payment plan but will not meet with the agency until the 20 business days have passed.</p>
20/21	43.11(2)	The section of alternative payment plans should be expanded to include timelines that the department must follow when responding to a alternative payment plan request.	<p>The rule has not been modified to include timelines that the department must follow when responding to a request to negotiate an alternative payment plan. When a payer makes a request to negotiate an alternative payment plan, administrative enforcement actions in the county initiating the action are halted against the payer. The absence of timelines does not hurt the payer except in cases of account seizure (the account has already been frozen) and personal property seizure (the property has already been seized). In these cases, if the payer requested a court review on the reasonableness of the payment plan, the plan will need to be negotiated prior to the court hearing. If a plan is not negotiated prior to the hearing, the court will order the child support agency to negotiate a plan with the payer.</p>
20/21	43.11 (10)(a)(1)	The phrase " unless the payer agrees otherwise" should be deleted to insure that payers are not taken advantage of by the department or child support agency when entering into a fair, affordable alternate payment plan.	<p>The purpose of using the phrase "unless the payer agrees otherwise" is to provide the payer with an opportunity to still negotiate a payment plan even if the plan, when subtracted from the payer's gross income, leaves the payer below 100 percent of the poverty line.</p>
4	43.16	Clarify what is meant by an automated financial institution.	<p>A definition of an automated financial institution has not been included to the rule. The distinction between an automated and nonautomated financial institution has been removed from the rule.</p>
40	43.16	There are enough ways to obtain information on delinquent payers without implementing a financial data match system.	<p>Federal and state law require the department to conduct a data match with financial institutions operating within the state to locate the assets of delinquent payers.</p>

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2	43.16	The rule should include informational notes that comment on the confidentiality of both the matching options. Reporting child support payments to credit bureaus would help to confirm the creditor's obligations and indicate whether creditors are up to date on payments.	A note has been added to the rule to reference the confidentiality provisions in s. 49.853 (3) and (4). Federal law requires states to report delinquent child support payments to credit bureaus. The department will report child support liens, which represent unpaid child support amounts, to credit bureaus.
42	43.16	Non-payment of child support should show up on a non-custodial parent's credit report as an unpaid debt.	The department will report child support liens, which represent unpaid child support amounts, to credit bureaus.
44	43.16	DWD 43 appears to require nonautomated institutions to use the state matching option. However, s. 49.853(2), Wis. Stats., permits institutions to elect either the state matching or financial matching options. A non-automated institution may prefer the financial match option because it offers greater protection to the clients, and it may require lower unreimbursed costs.	The rule has been modified to remove the distinction between automated and non-automated financial institutions. All institutions will be able to select either the state match option or the financial institution match option for participating in the record matching program.
3, 4, 43	43.16 (2)	DWD 43 limits reimbursement to institutions that participate in the record matching program in a fully automated manner. This provision does not conform to s. 49.853(2), Wis. Stats., which states that all institutions participating in the data match are eligible for reimbursements.	The rule has been modified to remove the distinction between automated and non-automated financial institutions. All institutions participating in the data match will be reimbursed.
4, 43	43.16 (3)	By state and federal law, all institutions are entitled to be reimbursed for their actual costs incurred in conducting the data match. The \$100 per quarter reimbursement for conducting the data match in an automated fashion is contrary to statute, and is unreasonable as compared to the actual costs involved for institutions. Financial institutions should be allowed to calculate the actual costs they will likely incur and provide this information to the department.	According to federal law, states have the option to reimburse financial institutions for participating in a financial record matching program. Wisconsin law requires the department to reimburse financial institutions in an amount not to exceed their actual costs of a data match. The department selected a flat rate of \$100 for several reasons. First, negotiating actual costs with each of the state's 1,000 financial institutions will be administratively difficult. Second, the department believes that \$100 per quarter will not exceed an institution's actual cost of the data match. Finally, the financial institutions will most likely select the matching option that will result in the lower unreimbursed cost.
40	43.16 (3)	Indicate how the state will fund the \$100 per quarter reimbursement and the administrative costs of the data matching.	It is beyond the scope of the rule to identify funding sources for the financial institution record matching program.
45	Miscellaneous	Clarify how the notice of intent to levy under s. 49.854 (7)(a) is extinguished and released.	This concern will not be addressed in the rule. The department will develop procedures for extinguishing a notice of intent to levy real property.

**SUMMARY OF PUBLIC HEARING TESTIMONY AND WRITTEN COMMENTS AND DEPARTMENT COMMENTS**

DWD 43 - Child Support Administrative Enforcement

<u>RESPONDENT</u>	<u>RULE NUMBER</u>	<u>COMMENTS</u>	<u>DEPARTMENT RESPONSES</u>
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26	Miscellaneous	<p>Parents signing a paternity acknowledgment should be provided with a notice of the responsibilities and liabilities associated with acknowledging paternity.</p> <p>Payers were not given notification that the department was considering developing these rules or conducting public hearings.</p>	<p>The rule does not address voluntary paternity acknowledgment. However, the department has modified the voluntary paternity acknowledgment form.</p> <p>In accordance with statutory requirements, the department provided the Revisor of Statutes a notice of public hearing on DWD 43 which was published in the Administrative Register. In addition, the department released a news item on the public hearings that listed the times and locations of the hearings and encouraged individuals who were unable to attend the hearings to submit written comments on the rule to the department by November 6, 1998.</p>
46	Miscellaneous		

Tommy G. Thompson  
Governor  
Linda Stewart  
Secretary



OFFICE OF THE SECRETARY  
201 East Washington Avenue  
P.O. Box 7946  
Madison, WI 53707-7946  
Telephone: (608) 266-7552  
Fax: (608) 266-1784  
<http://www.dwd.state.wi.us/>

State of Wisconsin  
Department of Workforce Development

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**Response to Legislative Council Clearinghouse Report**

Clearinghouse Rule No.: 98-130  
Rule No.: DWD 43  
Relating To: Child Support Administrative Enforcement

Agency contact person for substantive questions.

Name: Connie Chesnik  
Title: Attorney  
Telephone No. 267-7295

Legislative Council report recommendations accepted in whole.

Yes  No

1. Review of statutory authority (s.227.15(2)(a))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
  
2. Review of rules for form, style and placement in administrative code (s.227.15(2)(c))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached

3. Review rules for conflict with or duplication of existing rules (s.227.15(2)(d))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
  
4. Review rules for adequate references to related statutes, rules and forms (s.227.15(2)(e))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
  
5. Review language of rules for clarity, grammar, punctuation and plainness (s.227.15(2)(f))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
  
6. Review rules for potential conflicts with, and comparability to, related federal regulations (s.227.15(2)(g))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
  
7. Review rules for permit action deadline (s.227.15(2)(h))
  - a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached

## DEPARTMENT RESPONSE TO LEGISLATIVE CLEARINGHOUSE REPORT

### 1. *Statutory Authority*

Comment Letter	Status	Response
A	Accepted	The renumbering of HSS 42 has been removed from the rule.
B	Accepted in part	Section DWD 43.07 (3) has been modified to provide the payer with an opportunity to request a face-to-face meeting with a child support worker to review the financial records and to discuss any alleged error. The payer does not have to allege an error in the records in order to meet with a child support worker to review the records. The review will be more meaningful, however, if the payer alleges an error.
C	Rejected	Even though the department may have the authority to seize the entire property of a child support payer who owns property with other individuals with a recorded ownership interest in the property, the department has chosen not to exercise this full authority. To be fair to individuals other than the payer with a recorded ownership interest in the property, the department will only freeze or seize the payer's ownership interest in the property based on the presumption that the payer's interest in the property is equal to a pro rata share based on the number of individuals with a recorded ownership interest. This presumption will most likely reduce the requests for a court determination of property rights.
D	Accepted in part	<ul style="list-style-type: none"> <li>• The distinction between nonautomated and automated institutions has been removed from the rule. All financial institutions doing business in the state will be reimbursed for participation in the data matching program.</li> <li>• Based on the flat fees other states are reimbursing their financial institutions for conducting the data match, it is unlikely that \$100 per quarter will exceed a financial institution's actual costs of participating in the data match program. For example, Washington is reimbursing institutions \$200 per quarter, and New Hampshire is reimbursing institutions \$250 per quarter. In Georgia, it is estimated that the quarterly cost of the data match will be \$150 or less for over 84 percent of its financial institutions.</li> </ul>

## 2. Form, Style and Placement in Administrative Code

Comment Letter	Status	Response
A	Accepted	The rule has been modified to reverse Sections 1 and 2.
B	Accepted	Section DWD 43.03 (2)(intro) has been modified based on the Legislative Council's recommendation.
C	Accepted	The rule has been modified based on the Legislative Council's recommendations.
D	Accepted	The rule has been modified based on the Legislative Council's recommendation.
E	Accepted	Section DWD 43.04 (3) and s. DWD 43.08 (5) have been modified based on the Legislative Council's recommendation.
F	Rejected	Section DWD 43.06 (4)(b) has been eliminated and consolidated into s. DWD 43.03 (16).
G	Accepted	The rule has been modified based on the Legislative Council's recommendation. Section DWD 43.06 (5)(a)(intro), 1., and 2. have been combined into a single sentence.
H	Accepted	The rule has been modified based on the Legislative Council's recommendation.
I	Accepted	The rule has been modified based on the Legislative Council's recommendation.
J	Accepted	The rule has been modified based on the Legislative Council's recommendation.
K	Accepted	The rule has been modified to renumber s. DWD 43.16 as s. DWD 43.11.

## 4. Adequacy of References to Related Statutes, Rules, and Forms

Comment Letter	Status	Response
A	Accepted	The reference to s. 49.854 (2), Stats., has been added to s. DWD 43.03 (7).
B	Accepted	Section DWD 43.06 (5)(b) has been modified based on the Legislative Council's recommendation.
C	Accepted in part	If a payment toward a lien does not meet the conditions in s. DWD 43.06 (5)(a) or (b), the payment will be distributed within a case in the following order: current support, past-due support, and interest. Section 767.25 (6) specifies this hierarchy for applying payments. Sections 767.51 (5p), 767.261 and 767.62 (4)(g) also list this hierarchy and have been included in the rule at s. DWD 43.06 (5)(c). Section 46.10 (14)(f) has not been added to the rule because it does not list this hierarchy.
D	Accepted	The rule has been modified to cross-reference the appropriate statutory provision.

E	Accepted	The rule has been modified to cross-reference the appropriate statutory provisions.
F	Accepted	The rule has been modified to cross-reference the appropriate statutory provision.
G	Accepted in part	The rule has been modified to indicate that the standard format for providing information in the record matching program will be prescribed in the agreements with financial institutions. A note has also been added to the rule to clarify that the standard format for record matching will be based on specifications provided by the U.S. Department of Health and Human Services. States are not required to use this standard format; therefore, a federal law or regulation cannot be cited in the rule.
H	Rejected	Section DWD 43.16 (2) has been deleted from the rule. A distinction is no longer made between automated and nonautomated financial institutions.

### 5. Clarity, Grammar, Punctuation and Use of Plain Language

Comment Letter	Status	Response
A	Accepted	Section DWD 43.03 (3) has been modified based on the Legislative Council's recommendation.
B	Accepted	Section DWD 43.03 (4) has been modified to replace the word "plan" with the term "order" in the definition of an alternative payment plan.
C	Accepted in part	<ul style="list-style-type: none"> <li>The definition of arrearage debt at s. DWD 43.03 (5) has been modified to exclude interest on arrears.</li> <li>A definition of the term "court order" has also been added to the rule at s. DWD 43.03 (8) instead of a definition of "court case." The term court order is used where appropriate in the rule instead of court case.</li> </ul>
D	Accepted	Section DWD 43.03 (9) has been modified based on the Legislative Council's recommendation.
E	Accepted	Section DWD 43.03 (10) has been modified to include the phrase "of property" after the term "value."
F	Accepted	The definition of the expected amount due has been moved to s. DWD 43.10 (5). The word "equals" has been changed to "means," and the phrase "of the payer" has been inserted after "income." A definition of the term "reconciliation" has been added to the rule at s. DWD 43.03 (23)..
G	Accepted	The rule has been modified based on the Legislative Council's recommendations. The word "is" and the phrase "is defined as" have been changed to "means."

H	Accepted in part	<ul style="list-style-type: none"> <li>• Section DWD 43.04 (2) has been modified to indicate that notice will be sent to the payer at the address of the payer's employer.</li> <li>• In addition to postmaster verification, a payer's address is verified if it is provided by the payer, the payee, the payer's current employer, or the State New Hire Directory. The county child support agency will send the postmaster a <i>Postmaster Address Verify</i> document in order to verify an address. This form specifies the address the child support agency has located for a payer and asks the postmaster to confirm whether mail is delivered to the payer that address. If mail is not delivered to the payer at the address provided, the postmaster will indicate whether a forwarding address is available and, if it is available, provide the forwarding address. If the address on the form is a post office box, the postmaster will provide the street address.</li> </ul>
I	Rejected	The statute requiring parties to a child support order to provide location information to the child support agency became effective on January 1, 1999.
J	Accepted in part	<p>The rule has been modified to make it clear that s. DWD 43.04 applies to notices sent to the payer. The rule has also been modified to include locate resources in the definition of diligent effort. All appropriate automated federal, state, and local locate resources will be used to ascertain a mailing address if notice sent to the payer is returned. The appropriate automated state and federal resources for locating a payer's address include the following:</p> <ul style="list-style-type: none"> <li>• Client Assistance for Re-employment and Economic Support (CARES)</li> <li>• Unemployment Compensation Benefits (UCB)</li> <li>• Workers Compensation (WC)</li> <li>• Department of Corrections (DOC)</li> <li>• Department of Natural Resources (DNR)</li> <li>• Federal Parent Locator Service (FPLS)</li> <li>• Human Services Reporting System (HSRS)</li> </ul> <p>At this time, there are no automated local locate resources that can be assessed through the Kids Information Data System (KIDS).</p>
K	Accepted	Subpoena respondents who want to challenge an administrative subpoena may quash an administrative subpoena using the procedure outlined in s. 805.07 (3) for quashing a judicial subpoena. A note has been added to s. DWD 43.05 (1) to cross-reference this provision.

L	Accepted	Section DWD 43.05 (2) has been modified to exempt a subpoena respondent who fails to comply with an administrative subpoena from the administrative forfeiture if access to the requested information is prohibited or restricted by law, or if the subpoena respondent has good cause for refusing to cooperate with the subpoena.
M	Accepted	The definition of the monthly amount due at s. DWD 43.03 (16) has been modified to mean the sum of court-ordered provisions for periodic payments, expressed as a fixed amount, due in one month in a case, including periodic payments on arrearage debts. A note has also been added to the definition to clarify that a court-ordered provision expressed only as a percentage of income is not included in the monthly amount due when determining the lien threshold. However, when determining the threshold for administrative enforcement actions, the expected monthly amount due is the fixed amount that is used to calculate the monthly amount due when a provision is expressed only as a percentage of income. Section DWD 43.06 (4)(b) has been deleted from the rule.
N	Accepted	A note has been added to s. DWD 43.06 (5) to clarify that a payment will be credited toward a child support lien and a court-ordered lien if the arrearages that the liens are based on are the same. In addition, a payment toward a child support lien must be credited to a court-ordered lien if the property specified in the court-ordered lien is the property that is transferred.
O	Accepted	The rule has been modified based on the Legislative Council's recommendations. A definition of financial records and court order review has been created at DWD 43.03 (13). Section DWD 43.07 (1) has been modified to require the request for a financial record review to be in writing.
P	Rejected	Section DWD 43.08 has been rewritten. As a result, the phrase "bound by" is no longer used in the section.
Q	Rejected	This provision has been removed from the rule.
R	Accepted	DWD 43.08 (2) has been modified to specify that the value of personal property must exceed \$500 per item before it can be subject to seizure. Based on the Legislative Council's recommendation, the requirement that the lien exceed \$500 before personal property seizure may be initiated has been eliminated.
S	Accepted in part	The rule has been clarified to indicate that payer's proportionate share of the property's equity will be equal to the payer's pro-rata share of the equity based on the number of individuals with a recorded ownership interest in the property. See response l.c. above.
T	Accepted	The rule has been modified to clarify that the request for a hearing under s. DWD 43.08 (6) is tied to property seizure.

U	Accepted	A definition of "protective order" has been added to s. DWD 43.03
V	Accepted	Section DWD 43.10 has been modified to make the thresholds for administrative enforcement actions applicable to the department and county child support agencies.
W	Accepted	Section DWD 43.10 (2) has been modified based on the Legislative Council's recommendation.
X	Accepted	The reference to s. DWD 43.10 (5) in the report is incorrect. The word "suspension" has been deleted from s. DWD 43.11 (1).
Y	Accepted	The rule has been modified based on the Legislative Council's recommendations. The notice to the payer must inform the payer that he or she may request a hearing under s. 49.854(5)(f), (6)(c), (7)(c), or 49.857(3)(ac) or (ar), Stats. References to s. 49.854 have been consolidated throughout the rule.
Z	Accepted	Section DWD 43.11 (2)(c) has been modified based on the Legislative Council's recommendations. The word "will" has been changed to "shall." The court, if it determines that a payment plan is unreasonable, may order a plan by setting payments pursuant to s. 767.30 (1), Stats., in the amounts and at the times it considers expedient.
AA	Accepted	Section DWD 43.11 (3) has been modified based on the Legislative Council's recommendation to replace "review of mistake of fact" to "review of an alleged mistake of fact."
AB	Accepted	Section DWD 43.11 (6)(b) has been modified based on the Legislative Council's recommendation to replace "will" with "shall."
AC	Accepted	Section DWD 43.11 (7) has been modified based on the Legislative Council's recommendation.
AD	Accepted	Section DWD 43.11 (10) has been modified to state that the sum of any periodic payment established under the plan and any other court-ordered payment of support, when subtracted from the payer's gross income, may not leave the payer below 100% of the poverty line established under 42 U.S.C. 9902 (2) unless the payer agrees otherwise.
AE	Accepted	Section DWD 43.11 (10)(b) has been modified based on the Legislative Council's recommendation.
AF	Accepted	Section DWD 43.11 (11) has been modified to clarify that the notice provided after the default on an alternative payment plan will be in writing.
AG	Accepted	Section DWD 43.11 (12)(intro) has been modified based on the Legislative Council's recommendations.
AH	Accepted	Section DWD 43.11 (13) has been modified based on the Legislative Council's recommendations.

AI	Accepted in part	Because the distinction between an automated and nonautomated financial institutions has been removed from the rule, a definition of "automated financial institution" is not provided. The phrase "all of" has been inserted after "indicate" in s. DWD 43.12 (1)(a)(intro).
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# FINAL REGULATORY FLEXIBILITY ANALYSIS

Department of Workforce Development

CLEARINGHOUSE RULE NO.: 98-130

RULE NO.: DWD 43

RELATING TO: Child Support Administrative Enforcement

Final regulatory flexibility analysis not required. (Statement of determination required.)

As stated in the initial regulatory flexibility analysis, the administrative rule will have no impact on small businesses. The rule mainly affects individuals.

1. Reason for including or failing to include the following methods for reducing impact of the rule on small businesses: Less stringent compliance or reporting requirements; less stringent schedules or deadlines for compliance or reporting requirements; simplification of compliance or reporting requirements; establishment of performance standards to replace design or operational standards; exemption from any or all requirements.
2. Issues raised by small businesses during hearings, changes in proposed rules as a result of comments by small businesses and reasons for rejecting any alternatives suggested by small businesses.
3. Nature and estimated cost of preparation of any reports by small businesses.
4. Nature and estimated cost of other measures and investments required of small businesses.
5. Additional cost to agency of administering or enforcing a rule which includes any of the methods in 1. for reducing impact on small business.
6. Impact on public health, safety and welfare caused by including any of the methods in 1. for reducing impact on small businesses.

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	<b>1999 Session</b> LRB or Bill No. -- Adm. Rule No. DWD 43 --  Amendment No. if Applicable
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**FISCAL ESTIMATE**  
DOA-2048 N(R10/94)

**Subject**  
RULE

**Fiscal Effect**

**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation	<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
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Local: <input type="checkbox"/> No local government costs 1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected:</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>Affected Ch. 20 Appropriations:</b>
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**Assumptions Used in Arriving at Fiscal Estimate**

This rule implements various provisions of 1997 Wisconsin Act 191, related to the child support enforcement program, including forfeitures for failing to comply with a subpoena, liens, and notice and service of process requirements.

Counties may realize cost savings by switching to mailing of notices of administrative enforcement instead of using service of process. The amount of savings cannot be determined at this time. Although the \$25 forfeiture for noncompliance with administrative subpoenas and requests for information may be imposed in a few cases, the amount of revenue generated is not expected to be significant. Local postage costs for liens are expected to be offset by the new enforcement tool. Agency workload may increase due to requests for financial records and court order review, however, these costs should be able to be absorbed.

**Long-Range Fiscal Implications**

Ongoing costs include \$409,200 annually beginning in SFY 2002 for reimbursement of financial institutions. This cost includes reimbursement of 1023 financial institutions in Wisconsin at the rate of \$100/quarter for data matching. Annual postage costs of \$17,375 are also expected.

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> DWD / Nikolay, Bob (266-9475)	<b>Authorized Signature/Telephone No.</b> 	<b>Date</b> 03/08/99
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# FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. DWD 43 /	Amendment No.
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		

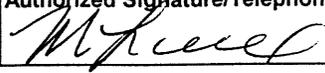
Subject  
RULE

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):  
Postage cost of \$69,000 for one-time mailing of approximately 152,500 pieces.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$426,600	- \$0
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	\$0	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
<b>TOTAL State Costs by Category</b>	<b>\$426,600</b>	<b>- \$0</b>
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$145,000	- \$0
FED	\$281,600	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>III. State Revenues</b> - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>TOTAL State Revenues:</b>	<b>\$0</b>	<b>- \$0</b>

## NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$426,600	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Nikolay, Bob (266-9475)	Authorized Signature/Telephone No. 	Date 3/8/99
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<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	<b>1999 Session</b> LRB or Bill No. -- Adm. Rule No. DWD 43 --  Amendment No. if Applicable
<b>FISCAL ESTIMATE</b> DOA-2048 N(R10/94)	
<b>Subject</b> RULE	
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation  <input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation	
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<b>Fund Sources Affected:</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>Affected Ch. 20 Appropriations:</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  This rule implements various provisions of 1997 Wisconsin Act 191, related to the child support enforcement program, including forfeitures for failing to comply with a subpoena, liens, and notice and service of process requirements.  Counties may realize cost savings by switching to mailing of notices of administrative enforcement instead of using service of process. The amount of savings cannot be determined at this time. Although the \$25 forfeiture for noncompliance with administrative subpoenas and requests for information may be imposed in a few cases, the amount of revenue generated is not expected to be significant. Local postage costs for liens are expected to be offset by the new enforcement tool. Agency workload may increase due to requests for financial records and court order review, however, these costs should be able to be absorbed.	
<b>Long-Range Fiscal Implications</b>  Ongoing costs include \$409,200 annually beginning in SFY 2002 for reimbursement of financial institutions. This cost includes reimbursement of 1023 financial institutions in Wisconsin at the rate of \$100/quarter for data matching. Annual postage costs of \$17,375 are also expected.	
<b>Agency/Prepared by:(Name &amp; Phone No.)</b> DWD / Nikolay, Bob (266-9475)	<b>Authorized Signature/Telephone No.</b> 
<b>Date</b> 03/08/99	

# FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect DOA-2047(R10/94)	<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB or Bill No./Adm Rule No. DWD 43 /	Amendment No.
	<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental		

Subject  
RULE

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):  
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State Operations - Other Costs	\$0	- \$0
Local Assistance	\$0	- \$0
Aids to Individuals or Organizations	\$0	- \$0
<b>TOTAL State Costs by Category</b>	\$426,600	- \$0
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$145,000	- \$0
FED	\$281,600	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>III. State Revenues</b> - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	- \$0
GPR Earned	\$0	- \$0
FED	\$0	- \$0
PRO/PRS	\$0	- \$0
SEG/SEG-S	\$0	- \$0
<b>TOTAL State Revenues:</b>	\$0	- \$0

### NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
Net Change in Costs:	\$426,600	\$0
Net Change in Revenues:	\$0	\$0

Agency/Prepared by:(Name & Phone No.) DWD / Nikolay, Bob (266-9475)	Authorized Signature/Telephone No. 	Date 3/8/99
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# STATE OF WISCONSIN

**Assembly Chair**  
**Mary A. Lazich**  
**State Representative**  
State Capitol  
Post Office Box 8952  
Madison, Wisconsin 53708-8952  
(608) 267-5158



**Senate Chair**  
**Robert W. Wirsch**  
**State Senator**  
State Capitol  
Post Office Box 7882  
Madison, Wisconsin 53707-  
(608) 267-8979

## JOINT COMMITTEE ON AUDIT

January 23, 1998

Ms. Linda Stewart  
Secretary  
Department of Workforce Development  
201 E. Washington Avenue, 400X  
Madison, Wisconsin 53707-7946

Dear Secretary Stewart:

Thank you for appearing before the Joint Legislative Audit Committee on January 6 during its public hearing about the Legislative Audit Bureau's evaluation of the Kids Information Data System (KIDS). We appreciate the Department's willingness to answer the Audit Committee's questions and to implement the recommendations included in the evaluation. We would, however, like the Department to continue its dialogue with the Audit Committee about KIDS as well as about the more general issue of ensuring accountability in the development of large automated systems.

First, as was evident during the course of the public hearing, we have a strong interest in ensuring that the Department follows through on its promise to resolve existing system problems and minimize future system problems. Therefore, we request the Department:

1. submit a plan to the Audit Committee by March 31, 1998, for the use of any excess matching federal funds it receives for the initial development of KIDS to correct existing problems that affect county staff. A comprehensive list of the existing problems should be submitted with the plan. We would like to reiterate to you that, according to the motion passed by the Joint Committee on Finance, the funds, if and when they become available, are to be used only to address ongoing problems. Therefore, the Department must work closely with county staff, including the Wisconsin Child Support Enforcement Association and the Wisconsin Clerks of Circuit Association, to ensure the plan addresses current county priorities.
2. provide quarterly reports to the Audit Committee, beginning in June 1998, on the progress made toward addressing current system problems, including the amount expended to do so.

3. provide Audit Committee members with a copy of the report to be submitted to the Joint Committee on Finance by May 15, 1998, regarding progress made toward improving the system's processing efficiency. This report should include information about any cost savings that will result from improving processing efficiency as well as a plan for continual system processing improvements.
4. provide Audit Committee members with a copy of the report to be submitted to the Joint Committee on Finance by May 15, 1998, regarding progress made toward modifying the system in order to meet current state and federal requirements, including the establishment of a state directory of new hires, the unemployment insurance intercept, and centralized receipt and disbursement. The report should include information about any unexpected problems encountered in modifying the system, steps taken to address the problems, and the associated costs. Information about the extent to which the Department has or plans to provide training to county staff as well as information about the extent to which any changes have or will be piloted should also be provided. This information should include the specific schedules to be followed in providing training and in piloting any system changes

If the Audit Committee has any reservations about the information included in any of the documents provided by the Department, it is our intention to contact the Joint Committee on Finance and request that the additional funding identified as necessary for improvements as well as funding for fiscal year 1998-99 not be released until the concerns are addressed.

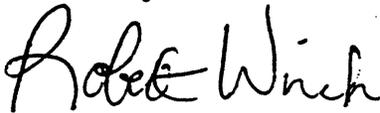
Second, we would like the Department to consider whether and how the Audit Committee can assist in communications with the federal government, particularly the Office of Child Support Enforcement, and Congress regarding concerns about the new federal child support enforcement requirements. Of particular concern at this time is the requirement regarding that centralized receipt and disbursement be established and functioning by October 1999. We request you provide the Audit Committee with this information by March 31, 1998.

Third, we are interested in ensuring that sufficient management information is available to assess the effectiveness of KIDS as well as the State's overall child support enforcement program. Based on the Department's response to the audit as well as statements you made during the public hearing, the Department shares this interest and has initiated efforts to ensure adequate management information is available. We request that you provide us with additional information about your plan to ensure adequate management information is available and provide us with a timeline for the generation of additional information about the system's effectiveness. In particular, we are interested in more detailed information about the collection of current and past due child support that is based on actual, and not estimated, figures. We request you provide the Audit Committee with this information by March 31, 1998.

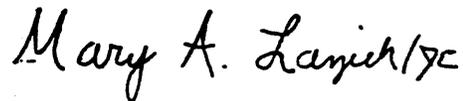
Finally, as was evident during the public hearing, the Audit Committee would like the Department as well as all other state agencies to pay more careful attention to the process through which large automated systems are developed. Of particular concern is the contractual relationship between the State and any vendor hired to develop such a system. We would, therefore, be interested in the Department's thoughts on how to implement an effective performance-based contracting system. We request the Department provide us with this information by March 31, 1998.

We look forward to receiving additional information from you about the Department's efforts to ensure KIDS is operating as efficiently and effectively as possible and about the more general issue of ensuring accountability in the development of large automated systems.

Sincerely,



Senator Robert W. Wirch  
Co-chairperson



Representative Mary A. Lazich  
Co-chairperson

cc:    **Audit Committee Members**  
      **Elaine Richmond, President Elect, Wisconsin Child Support Enforcement**  
      **Association**  
      **Gail Gentz, Acting President, Wisconsin Clerks of Circuit Court Association**

Tommy G. Thompson  
Governor

Linda Stewart  
Secretary



State of Wisconsin

Department of Workforce Development

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OFFICE OF THE SECRETARY  
201 East Washington Avenue  
P O. Box 7946  
Madison, WI 53707-7946  
Telephone: (608) 266-7552  
Fax: (608) 266-1784  
<http://www.dwd.state.wi.us/>

March 26, 1998

The Honorable Robert W. Wirth  
Senate Chair  
Joint Committee on Audit  
State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

The Honorable Mary A. Lazich  
Assembly Chair  
Joint Committee on Audit  
State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952

Dear Senator Wirth and Representative Lazich:

I am pleased to submit to the Joint Committee on Audit the first group of reports requested as follow up to the KIDS Information Data System Audit. Attached to this letter are the following reports:

1. **Status of Requests for All KIDS Improvements and County Priority Requests for KIDS Enhancements**-This two-part report discusses the status of all requested changes to the KIDS system and the process being used to prioritize and implement requested improvements. Additionally, it explains the process used by County Child Support Agencies and the Department to jointly agree on an expenditure plan to more quickly complete the county KIDS system improvements. We agree with the recommendation of the Joint Committee on Audit to dedicate specific funding for these changes. Attached to the report is a table listing the 91 specific system changes to be funded with available Department funds along with the current status of each change request. Several components of this report are not yet available from IBM Global, but will be submitted with reports scheduled for submission on May 15, 1998.
2. **KIDS Reporting Capabilities and Management Reports** -This report addresses the KIDS system's reporting capabilities and outlines the Department's plans to improve the availability of critical county, state and federal management reports.

Although not requested by the Committee at this time, I have also attached a **Status Report on the Central Receipt and Disbursement Project**. The Audit Report expressed some concerns about implementation of Central Receipt and Disbursement (CR&D), and I would like Committee members to be aware of the extent to which the Department is already



heavily involved in CR&D planning and implementation activities. CR&D is currently on schedule. If this continues and the necessary resources are available, the Department will be able to successfully implement CR&D in compliance with the federal deadline. An update on the status of CR&D will also be provided with the May 15 submissions to the Joint Committee on Audit.

The January 23, 1998 letter from the Joint Committee on Audit requested that the Department address the negotiation and oversight policies it uses when entering into vendor contracts for development of large automated systems in order to ensure an effective performance-based contract. In the past year, the Department re-negotiated the KIDS contract, and it currently is involved in awarding a contract for the Central Receipt and Disbursement system. Both contracts use performance based contracting as a central feature.

For any major KIDS deliverable, the contract with IBM Global mandates that the contractor estimate the total number of hours necessary to complete the deliverable. In no instance can the contractor exceed the total number of hours and be paid for the additional work without prior approval by the Department. For example, IBM Global completed system changes on KIDS last fall related to the implementation of W-2. Because the actual work performed exceeded the original estimate, IBM was required to complete the work at no additional cost to the Department.

In the Request for Proposals (RFP) for CR&D, the Department identified performance measures for every major component of service that will be provided under the contract. Examples of some of the performance measures spelled out in the contract include processing time limits for receipting collections, requirements for customer service and even a benchmark for the increased use of electronic funds transfers by employers. Failure to meet performance measures will lead to progressive penalties which can reach as much as \$5000 a day for some service components.

I also would like to clarify the status of two issues that were raised in the KIDS Audit, which I addressed in my presentation to the Joint Committee on Audit during the January 6 hearing. Concern was expressed that child support obligors are charged interest on delinquent accounts when only slight underpayments had been recorded in the system. This 'false arrearage' occurs because changes in payroll frequency result in a discrepancy between payroll and court-ordered payment frequency and the system must follow the court order.

This problem was corrected in AB651 and SB494, the legislation regarding child support enforcement. Under these bills the initial amount upon which interest accrues must exceed the amount of child support due in one month. This provision will prevent interest from being charged on what the system identifies as a delinquency when it is less than one month's payment, but will ensure that if a true delinquency occurs, interest charging will take effect.

The Audit also raised concerns about errors that occur in support disbursements when gross income information is not available in the KIDS system. Wisconsin law allows child support

orders to be expressed as a percentage of the noncustodial parent's gross income. However, under current law, the state does not require employers to submit gross income data when submitting withheld support payments. When KIDS encounters a percentage expressed support order without information on gross income, it may not disburse the support payment to the custodial parent correctly. This problem is also being addressed in the legislation through a provision requiring employers to submit gross income information along with the withheld support.

I also made a firm commitment at the hearing to meet on a regular basis with the Wisconsin Child Support Enforcement Association to jointly oversee future system changes and to communicate more openly about potential issues. The Secretary's Office staff has met three times since January with representatives of the WCSEA to discuss issues of mutual importance and prevent problems from developing.

These meetings have been very fruitful and instrumental in positively directing the activities of the Department as it implements two major system changes, New Hire and the Unemployment Insurance (UI) Intercept. Members of my staff and the Acting Bureau Director are in frequent contact with WCSEA representatives to discuss implementation, policy and legislative issues. In addition to this, the Department and WCSEA representatives have agreed to a bi-monthly schedule of formal meetings. I'm confident that this collaborative relationship will continue and will be invaluable to the Department as county, PRWORA and other system and program changes are implemented.

Concerns were raised by the Committee regarding communications with all county child support officials. The Department communicates regularly with county child support directors through Administrator's memos, child support bulletins and the KIDS bulletin board. However, the Department also utilizes its collaborative relationship with the WCSEA to reach all county child support directors as quickly as possible. WCSEA officials have developed very effective communication mechanisms using email, phone and fax, to ensure that information they receive from the Department can be disseminated to all counties within a short period of time. Using this process, the proposed and final County A List of KIDS system changes submitted as part of this report was reviewed by all county child support officials within a period of several days.

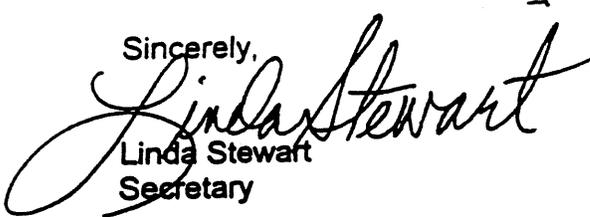
In closing, I want to bring the Committee up to date on the implementation of the Unemployment Insurance Intercept and New Hire. I am happy to report that on March 16 the Unemployment Insurance automated intercept became fully operative in the KIDS system. Under this improvement, child support is automatically withheld from a UI benefit if a withholding order is in place. If there is no UI withholding order within KIDS, the child support worker will be notified to create the provision.

In addition, the Department has successfully piloted the first phase of New Hire automation which provides county workers with match information about newly hired employees and their place of employment. State and county staff have agreed on the next phase which will take the New Hire information and automate the creation of an income withholding provision. When operative, if a county worker reviews the income withholding notice in KIDS and finds

it to be correct, the notice will be printed and sent to the employer. I will continue to provide you with updates on these and other major system changes as the need arises.

Again, thank you for your continued interest and support in the enhancement and management of the KIDS system. As we improve KIDS over the next several years, I look forward to continuing the collaborative relationship that has been established with county child support officials, and to maintaining a positive and productive relationship with the Joint Committee on Audit.

Sincerely,

A handwritten signature in cursive script that reads "Linda Stewart". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Linda Stewart  
Secretary

cc: Members of the Joint Committee on Audit  
Elaine Richmond, President, Wisconsin Child Support Enforcement Association  
Gail Gentz, Acting President, Wisconsin Clerks of Circuit Court Association

# **Department of Workforce Development Reports to Joint Committee on Audit**

**March 31, 1998**

- 1. Status of Requests for All KIDS Improvements and County Priority Requests for KIDS Enhancements**
- 2. County Priority Requests for KIDS Enhancements -Table.**
- 3. Management Reports/KIDS Reporting Capabilities**
- 4. Status of the Central Receipt and Disbursement Project**

## STATUS OF REQUESTS FOR ALL KIDS IMPROVEMENTS AND COUNTY PRIORITY REQUESTS FOR KIDS ENHANCEMENTS

This report is divided into two sections. The first section, *Status of Requests for All KIDS Improvements*, details the status of all county requests for improvements to the KIDS system and explains how those requests have been added to the Department's Master List of KIDS changes referred to as the CSCA Master List. Section I explains how the 1996 county request list referred to as the "list of 200" changes was reduced to 63 requests which have been added to the CSCA Master List. The "list of 200" actually contained 222 requests, so that more accurate number will be used throughout this report.

Section II of this report, *County Priority Requests for KIDS Enhancements*, consists of an additional list of 91 high priority improvements, which have been added to the total number of changes identified in Section I. When finalized in May, 1998, the *County Priority Requests for KIDS Enhancements* table will contain the highest county priority requests for KIDS improvements that are not already in process, including a description of each requested change, its current status and projected completion date and the estimated cost to complete the change. At that time, the report will also show how the Department will use an estimated \$3.7 million in available funding to complete the most essential county requests. The total number of county KIDS change requests added to the CSCA Master List as a result of these two concurrent and sometimes overlapping processes is 154.

### Section I. Requests for All KIDS Improvements

The Legislative Audit Bureau's evaluation of KIDS noted that the Department had developed a list of over 200 improvements to be made to the KIDS system. As noted above, the list actually had 222 items on it. This list was developed in cooperation with county staff during the fall of 1996. It has served as one source of system change requests that are reviewed and prioritized by the Child Support Customer Area (CSCA). This group, made up of county and state representatives, is charged with determining the order in which all identified changes to KIDS will be completed. Other sources of system change requests include federal and state legislation (e.g., Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) and Wisconsin Works (W-2) and the KIDS County and State Users Groups which were formed in 1997.

As a result of the Legislative Audit Bureau audit and at the request of the President of the Wisconsin Child Support Enforcement Association, a group of county representatives met in January, 1998 to identify KIDS system improvements that would be most beneficial to the counties. That list was provided to the Department on January 20th. The new requests were discussed, validated and prioritized at a February meeting of the KIDS County User's Group and at a subsequent meeting with the Department of Workforce Development Secretary's Office. More than half of the requested changes agreed to at the January meeting are for changes identified since the original list of 222 was compiled. These new changes have been prioritized separately and are discussed in Section II of this

report. All of the referenced change requests in both sections have now been added to the CSCA list of system changes. However, only the remaining changes from the original list of 222 are discussed further in this section.

Since one of the goals of the Child Support Customer Area group is to operate from a single list of system change requests, the county and state members of the CSCA reviewed the 1996 list of 222 changes to determine which requests have been completed, which requests are already on the CSCA list and which requests should be deleted because the need for the change no longer exists. The completed CSCA review of the list of 222 changes has resulted in a single list of system change requests, referred to as the CSCA Master List of System Changes. Of those requests, 36 have already been completed, 41 have been withdrawn, 33 have been referred to county/state work groups or have been identified as problems that can be resolved with additional training, while 49 were already on the CSCA Master List. The remaining 63 requests have been added to the CSCA Master List .

At the present time, there are 208 active system change requests on the CSCA Master List. This total includes the 63 changes referred to in this section, and the 91 more recent change requests which are discussed in Section II. Of those 208 requests, 21 are requests relating to state and federal legislation, 50 are requests originating from either state staff or legislation and 137 are county requests. The CSCA members have prioritized the top 25 of the 208 system change requests on the list. Of the top 25 requests, 11 are county requests, 8 are federal requests and 6 are state requests. As system change requests are completed, requests waiting in the queue are moved into the list of the top 25 changes needing to be made to KIDS. If changes in priorities occur and a lower ranked request needs to be moved up, that can be accommodated through this process.

IBM Global, the KIDS system vendor, uses the system change priorities identified by the CSCA to build their work plan. During December, January and February, three county and three state system change requests were completed. Four county change requests and one state change request are currently being programmed. There are two major system changes, New Hire and Unemployment Insurance Intercept, that are currently in pilot. There are six change requests for which business requirements are being validated while business requirements are being defined for more than a dozen system change requests. This process is expected to continue for the next three years as system changes are completed and drop off the list. However, during that time period, it is likely that new requests will be added to the list.

## **Section II. County Priority Requests for KIDS Enhancements**

The attached table, *County Priority Requests for KIDS Enhancements*, is the Department's initial submission to meet the recommendation of the Legislative Audit Bureau for information on how the Department would use available funds to more quickly complete county KIDS system improvements. With the approval of the Joint Committee on Audit, the final version of this table will be submitted on May 15, 1998.

The Legislative Audit Bureau's review of the KIDS system pointed out that the Department has not developed a schedule to address needed county changes to the system. The Audit Bureau also noted that no special funds have been requested to address these problems and that without the commitment of some additional resources, it is probable that future state and federal needs will continue to take precedence over county needs. In order to alleviate this situation, the Joint Committee on Audit identified \$1.25 million in federal funding that is expected to be deposited in a Department account and suggested that the Legislature could authorize these funds as a match for \$2.45 million in additional federal funds to pay for system improvements benefiting county users. A total of \$3.7 million would be available to address county requested system changes under the Committee's proposal. The Department agrees with the recommendation of the Joint Committee on Audit to dedicate specific funds for these changes.

The Committee also recommended that by March 31, 1998 the Department submit a detailed plan to the Committee, including completion dates, for using dedicated funding to resolve ongoing improvements to KIDS.

The same process described in Section I was used to develop the County "A" List of county priority changes to the KIDS system proposed to be funded with the additional funds. County representatives met during January and February to identify the most recent and necessary change requests and to prioritize the list. Meetings were held with the KIDS County Users Group to reach agreement on items and rankings. Representatives of the Wisconsin Child Support Enforcement Association, the Wisconsin Clerks of Court Association, the Bureau of Child Support and the Department met on February 20 to approve the final list for submittal to the Joint Committee on Audit. A total of 91 changes to the KIDS system are on the final County "A" List.

There is a multi-step process for determining a) the amount of time necessary to make system changes, b) the cost of each system change and c) a completion date for KIDS system change work. First, the Bureau of Child Support must submit to IBM Global a written service request reflecting as clearly as possible what the change should accomplish. IBM Global then analyzes the change in a process called sizing and scoping and determines how many hours it will take to program each change and promote it into the production system. By applying the contractual hourly rate when the sizing and scoping is completed, the Department has an estimate of the cost of each change in addition to the length of time it will take to complete. Finally IBM adds the change to their work plan, which includes an estimated completion date.

Preparation of most of the 91 written change requests identified for the use of the dedicated funding was completed during the last two weeks of February and the first week of March. Those requests were then submitted to IBM Global for sizing and scoping. Because of the large number of new requests, it is expected that the sizing process will take four to six weeks. As a result, IBM Global will not be able to complete the sizing and scoping process on the County "A" List until at least the end of April. IBM Global

has said that the required information will be available in time for submission with the May 15th reports requested by the Joint Committee on Audit. During this time period, the CSCA group must also fit the new change requests into the priority listings on the CSCA Master List of county, state and federal changes. In order to move County "A" List items into the 25 top priority category, the Department expects to develop a process that will help ensure that the proportionate number of county, state and federal items on the total CSCA Master List will be reflected on the list of 25 priority system changes.

In summary, because of these timing and workload issues, the Department is unable to include exact completion dates or estimated costs for the system change requests that will be completed with the dedicated funds. Instead, the Department has submitted a table consisting of a detailed list of the changes that will be made and the current status of each request. As stated above, the Department has a commitment from IBM Global that the additional information needed to complete this report will be available for submission to the Joint Committee on Audit on May 15, 1998.

**COUNTY PRIORITY REQUESTS FOR KIDS ENHANCEMENTS**

**MARCH 31, 1998**

COUNTY "A" LIST SYSTEM IMPROVEMENT REQUESTED	TARGET COMPLETION DATE OR CURRENT STATUS	ESTIMATED PRODUCTION TIME AND COST
1. <b>Custodial Closure Notice</b> - Generate closure notice to custodial parent even if there is no valid address.	Service Request to IBM Global 2/26/98	
2. <b>Allocation to R&amp;D Fee Subaccount</b> - Allow allocation of funds to the Receipt and Disbursement (R&D) Fee subaccount only if the payment is posted with an R&D 'Y' indicator.	Service Request to IBM Global 2/26/98	
3. <b>Effective Future Date</b> - Change the effective future date on a case if child support is temporarily suspended.	Service Request to IBM Global 2/26/98	
4. <b>Kinship Care Default</b> - Ignore the third party payee in kinship care case types. Instead default to the state collection account.	Service Request to IBM Global 2/26/98	
5. <b>Future Employment Date</b> - Eliminate the edit for a future employment date to permit an income withholding notice.	Service Request to IBM Global 2/26/98	
6. <b>View All Employer's Employees</b> - Permit workers to view all employees linked to a third party employer.	Service Request to IBM Global 2/26/98	
7. <b>Family and AFDC Arrears</b> - Create a worklist when arrears owed to the family builds and the periodic payment is applied to the AFDC arrears.	Service Request to IBM Global 2/26/98	

<p>8. <b>Minor Mothers</b> - Enable the system to identify minor mothers separately from the custodial parent in order to support minor mother paternity processing, appointments and documents. Currently, the system identifies the custodial parent as the individual who is the parent or guardian of the minor mother, not the minor mother herself.</p>	<p>Service Request to IBM Global 2/26/987</p>	
<p>9. <b>Chronological Case Event Report</b> - Create a chronological case event report which includes event notes.</p>	<p>Service Request to IBM Global 2/26/98</p>	
<p>10. <b>Paid in Full Subaccount</b> - Create a worklist when a subaccount with a periodic payment is paid in full.</p>	<p>Service Request to IBM Global 2/26/98</p>	
<p>11. <b>Refund Checks</b> - Generate a check stub or notice to noncustodial parents who receive refund checks.</p>	<p>Service Request to IBM Global 2/26/98</p>	
<p>12. <b>Genetic Tests for Other than Potential Fathers</b> - Enable and support genetic testing on individuals other than potential fathers. This includes the ability to create appointments and documents.</p>	<p>Service Request to IBM Global 2/26/98</p>	
<p>13. <b>"Consider Closure" Cases</b> - Change the "Consider Closure" list to include the total roll up of court case arrears. If the date of the last payment is within 30 days, the case should not fall under the "Consider Closure" category.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>14. <b>Percentage Order Processing</b> - Create logic to support the percentage fixed order processing without using the suspense file.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>15. <b>Interstate Case Bills</b> - Eliminate monthly billing statements for interstate cases.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>16. <b>Future Address</b>. - Permit entry of an effective date for a future address.</p>	<p>Service Request to IBM Global - 2/26/98</p>	

17. Tax Intercept Source - Show state tax and federal tax intercept as the source of collection on the KIDS Financial screen.	Service Request to IBM Global - 2/26/98	
18. Cases With Same Court Case Number - Permit a case event to be distributed through the system to all IV-D cases with the same court case number.	Service Request to IBM Global - 2/26/98	
19. Tax Intercept Processing - Change the tax intercept processing so that it pays balances but not periodic payments.	Service Request to IBM Global - 2/26/98	
20. Conception Period Estimate - Use the actual date of birth to calculate the conception period, not the estimated date of birth.	Service Request to IBM Global - 2/26/98	
21. Potential Father Interviews - Enable navigation to more "Potential Father" screens on paternity interviews when additional potential fathers are entered	Service Request to IBM Global - 2/26/98	
22. Participant's Multiple Cases - Permit participant event to go out to other cases for that participant including cases in other counties.	Service Request to IBM Global - 2/26/98	
23. Breakout of Current Arrears - Redesign the federal Substitute Care Payments report to break out the information by "Current Payment" or "Arrears".	Service Request to IBM Global - 2/26/98	
24. Contempt and Children First Appointments - Add new disposition codes for contempt and Children First appointments.	Service Request to IBM Global - 2/26/98	
25. City/State Searches - Permit third party employer and agency searches by city and state.	Service Request to IBM Global - 2/26/98	
26. Return to Case Screen - Permit the worker to view particular cases and then return directly to the "List Participant Case" screen.	Service Request to IBM Global - 2/26/98	
27. Closed Cases - Permit the system to stop locate activity and worklists on closed cases.	Service Request to IBM Global - 2/26/98	

28. Reissued Checks - Generate a check stub or notice to the custodial parent on a reissued check.	Service Request to IBM Global - 2/26/98	
29. Child Custody Indicator - Eliminate the edit and permit workers to use the "Inactive Role" for children on cases where only arrears are due.	Service Request to IBM Global - 2/26/98	
30. Emancipation Report - Exclude "Arrears Only" cases on the Emancipation Report of children who are no longer minors.	Service Request to IBM Global - 2/26/98	
31. Process Service - Create an event to note an unsuccessful service of process.	Service Request to IBM Global - 2/26/98	
32. Verified SSN - Change the locate status of a parent if the Social Service Administration has verified the SSN on a locate case.	Service Request to IBM Global - 2/26/98	
33. Reconciliation Document - Automatically delete the worklist to reconcile the percentage order after the reconciliation document is produced.	Service Request to IBM Global - 2/26/98	
34. Recoupment Deductions - Fix recoupment deductions so that the amount withheld is what the worker ordered.	Service Request to IBM Global - 2/26/98	
35. No Effective Order Entry Date - Permit the entry of an order with no effective date if it will become effective upon a marital separation.	Service Request to IBM Global - 2/26/98	
36. Interstate Case Numbers - Lengthen the field for interstate case numbers. Other states use longer numbers.	Service Request to IBM Global - 2/26/98	
37. Negative Arrears - Permit backdating with negative arrears. Apply excess payments to the next month's obligation in negative arrears situations.	Service Request to IBM Global - 2/26/98	
38. Day Care Charging - Permit entry of a day care charging subaccount.	Service Request to IBM Global - 2/26/98	

39. Participant Search - Permit a search by three or more letters of the first name in addition to the full last name when doing a participant search.	Service Request to IBM Global - 2/26/98	
40. Jump Indicator - Display a jump indicator on the screen when the worker is in jump mode.	Service Request to IBM Global - 2/26/98	
41. Activation or Inactivation Case Event - Permit creation of a case event when the participant is activated or inactivated.	Service Request to IBM Global - 2/26/98	
42. Seasonal Terms - Permit different court ordered withholding amounts based on anticipated seasonal differences in employment on all subaccounts including those for arrears.	Service Request to IBM Global - 2/26/98	
43. Medical Insurance - Permit entry of medical insurance carried by the non custodial parent for the custodial parent.	Service Request to IBM Global - 2/26/98	
44. Interstate Paternity - Permit breakout case assignments for interstate paternity to go to paternity workers instead of interstate workers.	Service Request to IBM Global - 2/26/98	
45. Parole Date Worklist - Create a worklist for the noncustodial parent when his or her parole date is reached.	Service Request to IBM Global - 2/26/98	
46. Interest on Spousal Support Arrears - Permit interest charging on spousal support arrears.	Service Request to IBM Global - 2/26/98	
47. UIFSA (Interstate) Documents - Transfer court order information to UIFSA documents.	Service Request to IBM Global - 2/26/98	
48. Appointment Calendar Printing - Enable printing of daily agency appointment calendar.	Service Request Needed	
49. FAX Events - Add event types for faxes sent and faxes received.	Service Request to IBM Global - 2/26/98	

<p>50. "List Worklist" Screen - Change the navigation for the "List Worklist" screen so the "Select and Enter" option permits the worker to view the worklist.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>51. Bankruptcy - Change bankruptcy suspension so that processing restarts when bankruptcy ends.</p>	<p>Service Request to IBM Global - 2/26/98. May have implications for Liens, Property and Account Seizure Processing.</p>	
<p>52. Night Court Scheduling - Eliminate edits which prevent appointment scheduling for night court.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>53. Additional Event Types - Add event types for office visits and mail received.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>54. Additional Appointment Scheduling - Permit scheduling of appointments for participants other than the custodial parent and noncustodial parent.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>55. SSN or DOB Change - Create an event when an SSN or date of birth is changed for a participant.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>56. Worklist Elimination - When an event is withdrawn, eliminate the corresponding worklist.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>57. "Select Workscreen" Simplification - Reorganize and simplify the "Select" worklist screen to reduce keystrokes.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>58. Health Insurance Worklist - Establish a health insurance worklist when the case is in "Medical Only" status.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>59. Commitment Information - Create a participant event when commitment information is entered or ended.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>60. "Add Worklist" Screen - Enable the system to carry the case or participant number to the "Add Worklist" screen and then test to ensure the case being worked is correct.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p>61. Seasonal Terms - Add more lines for seasonal court order terms.</p>	<p>Service Request to IBM Global - 2/26/98</p>	

<p><b>62. Substitute Care Locate Letter -</b> Eliminate or modify the locate request letter to a custodial parent so it doesn't incorrectly go to the state or other agency in substitute care cases.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>63. Appointment Date Warning -</b> Create an edit warning message if the appointment date is past.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>64. Court Case Obligation -</b> Change "view court case obligations" field to show frequency amount.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>65. International Locate -</b> Add international locate codes for other countries.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>66. Foster Care Cases -</b> Permit designating a former custodial parent as a court ordered payee in a foster care case.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>67. 50/50 Medical Insurance -</b> Permit a nonfinancial obligation note when medical insurance is shared 50/50.</p>	<p>Service Request to IBM Global - 2/26/98</p>	
<p><b>68. Criminal Referral -</b> The criminal referral screens do not work properly and should be corrected.</p>	<p>Service Request to IBM Global 10/10/97</p>	
<p><b>69. Account History Reports -</b> Change account history reports so courts and other parties can use them.</p>	<p>Service Request Needed. Design work needs to be completed.</p>	
<p><b>70. Interactive Voice Response Change -</b> Change the interactive Voice Response System to eliminate a confusing reference to "adjustments."</p>	<p>Completed and fully functional on KIDS</p>	
<p><b>71. Federal Report -</b> Produce automated reports by county to meet federal requirements. The two most important reports are the Federal Collection Report (OCSE 34) and the Statistical Case Breakdown Report (OCSE 157).</p>	<p>Service Request for OCSE 157 to IBM Global 3/3/98. Service request for OCSE 34 is still needed.</p>	

<p>72. <b>Collection Comparison</b> - Produce an accurate collection comparison report which includes tax intercept.</p>	<p>Collection Comparison Report currently in testing does not include tax intercept collections. New service request to IBM 3/13/98.</p>
<p>73. <b>Timeline and Aging Reports</b> - Timeline and Aging reports do not work properly and should be corrected as recommended by the Report Workgroup.</p>	<p>Service Request to IBM Global - 3/11/98</p>
<p>74. <b>Suspense Report</b> - Break out suspense report items so they can be sorted by suspense code.</p>	<p>Service Request Written and referred to Suspense workgroup. (see #88)</p>
<p>75. <b>Delinquency Notification</b> - Delinquency notification doesn't work properly and should be corrected as recommended by the Delinquency Workgroup.</p>	<p>Service requirements finalized at 3/11/98 meeting. IBM Global will create Process Document.</p>
<p>76. <b>Document Changes</b> - Redesign documents to make them more readable. Include changes to document fonts.</p>	<p>Service Request for font changes complete. Request to IBM Global 3/16/98. First packet of document changes to IBM Global 3/20/98.</p>
<p>77. <b>Interstate Enforcement Changes</b> - Implement the UISFA changes as required by PRWORA.</p>	<p>Service Request to IBM Global 3/9/98. Document out for comments, finalized 3/20/98.</p>
<p>78. <b>Children First</b> - Implement PRWORA work requirements for Children First tracking.</p>	<p>Service Request to IBM Global 2/8/98.</p>
<p>79. <b>Paternity Interface</b> - Create an interface with the Center for Health Statistics so the caseworker can obtain information on a paternity acknowledgment.</p>	<p>Service Request Needed. CHS and BITS staff working to identify data exchange format as of 3/13/98.</p>
<p>80. <b>Tax Intercept Payments</b> - Allow system to hold tax intercept payments when an appeal hearing is scheduled.</p>	<p>Service Request to IBM Global 3/4/98.</p>
<p>81. <b>New Order Date</b> - Provide that the actual date of a new order replaces the former order effective date.</p>	<p>Request submitted to IBM Global previously, IBM coding service request 3/9/98</p>

82. Adjustment Across Counties -Prohibit a worker in one county from making a monetary adjustment to a case in another county.	Service Request Needed - Referred to Security Workgroup	
83. Small Change Checks - Eliminate small change checks. Instead provide for automatic release of amounts with the next payment.	Service Request to IBM Global 3/4/98	
84. Income Withholding Status -Eliminate the change of income withholding status when the income withholding provision is no longer linked to a specific employer.	Needs a decision by BCS or Policy Advisory Committee	
85. R&D Fee Subaccount Posting - Permit posting more than \$25.00 to the Receipt and Disbursement Fee (R&D)subaccount.	Service Request to IBM Global 3/4/98	
86. Financial Display Screen - Allow additional information to be added to the financial display screen.	Service Request to workgroup lead worker	
87. Locate Workgroup - Convene the Locate Workgroup to identify locate problems and suggest corrections.	Workgroup lead worker and staffing of workgroup needs to be completed.	
88. Suspense Processing Workgroup - Convene the Suspense Processing Workgroup to identify suspense problems and suggest corrections.	Workgroup needs to be reconvened after CR&D Advisory Group meeting 4/1/98.	
89. Return to "Last Viewed List" Screen - Allow the user to automatically return to the "Last Viewed List" screen instead of the first screen.	Service Request to IBM Global previously, high priority assigned. IBM coding the change.	
90. "Participant Name Search" Screen - Allow the user to automatically return to the last viewed "Participant Name Search" screen instead of the first "Participant Name Search" screen.	Service Request to IBM Global - 3/13/98	
91. UISFA Documents - Develop required interstate enforcement (UISFA) documents and make available in KIDS.	Service Request to IBM Global 3/9/98 Document sent for comments and finalized 3/20/98.	

## MANAGEMENT REPORTS/KIDS REPORTING CAPABILITIES

The Department is committed to the production of high quality and effective KIDS management reports for use by state and county managers. Since all counties completed the conversion to KIDS in September 1996, there has been an increasing demand to furnish a wide array of information about the Wisconsin child support program and the KIDS system. A considerable amount of information is available and used extensively by local managers and staff to manage the local child support programs. The attached tables A and B summarize the key reports that county and state staff use to manage the child support program. Table C lists proposed KIDS management reports. To meet the continuing challenge to assess program and system effectiveness, the Bureau of Child Support has re-examined the reporting capabilities of KIDS and the needs of its customers and initiated a planning process to ensure the availability of adequate management reports as KIDS continues to change and expand.

### Examining KIDS Reporting Capabilities

When KIDS began, it generated a large number of production reports for program and fiscal management. Before KIDS financial and management reports had been used in a full operation mode and before all counties began using the system, a workgroup of county and state staff reviewed all KIDS reports and recommended additions, deletions, and modifications. Since then, many of the reports have been formally reviewed for accuracy or found to be accurate through daily use. The Bureau continues to work closely with county agency staff in the development of necessary management reports. Among the data currently available in management reports are: 1) total collections on current amounts due, 2) total collections on arrears, 3) total arrears due by subaccount, 4) numbers of court orders by subaccount, (e.g., AFDC arrears, Work Not Welfare) and 5) the paternity establishment rate. In addition, the reports KIDS is currently generating are becoming more useful to the Department because a full year of comprehensive, state-wide child support data is now available to serve as a base period for comparison purposes.

In the last six months, the Bureau has moved more staff resources to KIDS reporting functions. Recent initiatives include:

- Developing and validating the monthly Distribution Comparison Summary Report, which gives county and state management a detailed summary of collections. This report, introduced into KIDS on March 2, 1998, provides distribution collections information for the current month and calendar year-to-date for the current year and the previous year. It includes segregated accounting for current support, arrears, and interest for several groups of case types, such as W-2 Payment, W-2 Non-Payment, Kinship Care, Substitute Care etc., as well as cost types, such as blood test and legal fees.
- Requesting input on new and existing management reports from the Reports Workgroup which is comprised largely of county representatives.
- Generating monthly graphs and reports for Department management.
- Establishing a reports coordinator position in the Bureau's Quality Assurance and Policy Interpretation unit.
- Developing a strategy to continue and increase the rate of validation of current reports.